

lake," said Kurt Nielsen, Southwest District Manager for Travis County Parks. NAI also has payphones at other county recreational facilities, including Mansfield Dam Park, Hamilton Pool, Web-berville Park, and Del Valle Softball Complex. "It is an utter necessity to have payphones for visitors when staff is not readily available," Nielsen added.

Clark said in park settings his company provides phones that have all the required calling features, such as free 911, access to operators, 10XXX unblocking, despite the fact that those are historically low revenue phones with very high vandalism. "We don't cut back on features or take any other steps that would be cost-reducing to the detriment of the calling public," he said. In those settings, NAI has to replace "phenomenal amounts" of handsets and keyboards because of damage done by vandals.

Clark said that NAI also installs payphones at some Little League baseball parks in San Antonio if he can come close to covering his costs. "They make considerable money for three or four months of the year, and the rest of the time they are dead. Sometimes we put the lines 'on vacation' during the winter and incur a minimum monthly charge."

Many TPA member companies place payphones at churches. "Usually a church staff member calls me after she has talked with Southwestern Bell," said NAI's Clark. "If Southwestern Bell thinks the phone won't make money, they will charge the church \$60 a month. NAI has half a dozen church payphones, and we don't charge them anything. We are a member of the community out there and we are serving a need for the calling public."

Clark said it is unfortunate that Southwestern Bell has no provision for charging a private payphone company a lower monthly line charge for their payphones that are provided as a public convenience.

Serving Rural Communities

The independent payphone industry is committed to meeting the calling needs of rural Texans. Cherokee Communications, which has 2500 payphones in Texas, concentrates its business in rural communities. "I live in Jacksonville, and I know that a communication link is very important to small town residents," said Cherokee President Eddie



Store co-owner Kay Hein (left) and her sister, employee Patsy Pitts, display the new pay telephone.

Marshall. He said that in small towns payphones are primarily used by people who cannot afford to have a phone in their home, as well as by travelers.

About 90 percent of the Cherokee locations are small mom and pop grocery stores. "We have one technician who drives 2500 miles every two weeks just to check the 85 phones on his routes," he added.

It was big news in the local newspaper in Knippa when TeleCoin Communications, Inc. installed a payphone in the town. "There hasn't been a payphone here in years," said Kay Hein, co-owner of K&W Country Store. TeleCoin also made news this year when the company installed the first-ever payphone in Luckenbach, Texas, a small town made famous by Waylon Jennings's song.

T&T Communications of Center Point is proud that it owns the only payphones in 19 small towns in Central and South Texas. President Harold Taylor said, "There is a real need for us out there. All of our site owners get personal attention, and they are all friends of ours. We didn't know any of them before, but they became our friends after we got the business." In three small towns, T&T bought all the payphones owned by small telephone companies.

Taylor points with pride to the small town of Lasalle, where the only payphone in town is owned by T&T. "There used to be one GTE payphone there, but it was always out of order," Taylor said. A woman who is the Lasalle Postmaster asked T&T to install a payphone at the general store where the post office is located. "The payphone has never been profitable in the 2 1/2 years we have had it, but we like the lady and we like the people in the town. If our phone were not there, people would have to go 10 miles to use a payphone," Taylor added.

JULY/AUGUST 1994

VOL.2 NO. 4

PERSPECTIVES

ON PUBLIC COMMUNICATION

Good Deeds: Service Beyond Duty





Good Deeds: Service Beyond Duty

Perspectives on Public Communication will regularly cover "good deeds" in the industry. Readers are encouraged to send their stories to the editor c/o Perspectives on Public Communication, 335 Beard Street, Tallahassee, FL 32303. Fax 904/681-2890.

No one will deny that the independent public payphone (IPP) industry is a complex and competitive environment in which the axiom "only the strong survive" is lived out day after day. In spite of its rough exterior, there is a strong element of human relations and caring which permeates the industry. This "soft" side of the industry may be seen in many different forms. Sometimes it is a route maintenance supervisor reaching, without question, into his or her own pocket to replace a quarter that a customer perceives has been lost in a payphone. Other times it is the reassuring presence of a payphone, available and operating, when a stranded motorist or distressed pedestrian needs immediate communication.

IPP providers are willing to risk their life savings to buy machinery to provide a public service. They work 70+ hours per week to maintain that machinery, fight the monumental legal and regulatory battles required to keep that machinery operating profitably enough to pay the bills

and endure the endless vandalism and theft that occur to machinery left unguarded in public places. This is a statement of the depth of commitment these businesses have to serve a basic human need—communication.

At times, IPP providers go far above and beyond the duty to which they are called. Here are three stories of IPP providers whose commitment to their customers and caring for humanity have led them to offer tremendous public services. Each

service featured here comes at the expense of the IPP's pocketbook. The payphones involved could have been operated at more profitable locations and for higher rates. Each IPP made the decision to place the needs of its customers above the profitability of its business.

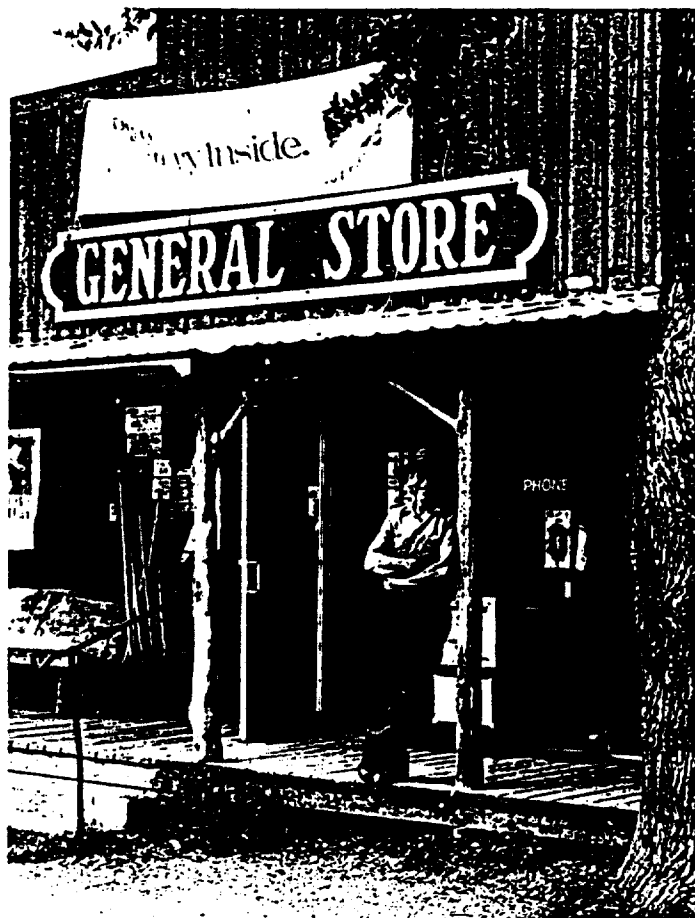
Payphone Serves as Lifeline of Community

IPP providers must go out of their way to establish good relationships

with premise owners or managers and to assure that those relationships are maintained. Harold Taylor of T & T Communications provides an outstanding example of an IPP provider who has gone out of his way to establish a relationship with a store owner. The result is a telephone lifeline which never before existed because the local exchange carrier refused to place a phone claiming it was not economically feasible.

Residents of Lytton Springs regularly drop by Spradling's Store to pick up a Big Red or some tortillas or just to talk. The 82-year-old general store is the central gathering place for the small town and the site of the only payphone in the community.

Owner Les Spradling said most of the people who



Les Spradling at the center of town.

use his payphone are local residents who don't have a phone in their homes. "We're not real affluent out here, and a lot of people are living on the edge," he said. Many people live in mobile homes throughout the grassy ranchland in Central Texas. The population of Lytton Springs is 150, but many more people live in the outlying countryside.

Texas Payphone Association member company T&T Communications installed the payphone on the porch at Spradling's Store almost five years ago, and today their red payphone provides the town's communication lifeline. Residents without phones in their homes use the payphone for daily calling needs, whether to call doctors or their offices in Austin or San Marcos or to keep in touch with relatives.

"In the evenings after Spradling's Store closes, there are always people talking on the payphone. Sometimes they sit in their cars waiting in line to make a call," said Jerry Cardwell,

herdsman for the U-Bar Hereford Ranch. Cardwell sometimes drives up on his tractor to use the phone. "The payphone is right next to the diesel fuel tank I use for my tractor, so it's convenient to fill up and make a call," he said.

In the spring when area creeks rise over their banks, many residents use the Spradling's payphone to call their families and say they can't make it home. During floods, stranded motorists sleep with friends in Lytton Springs or at Spradling's Store.

Spradling's has the ambiance of an old-time country store: It has the original wooden floors, a wood stove, jars of pickles by the cash register, and all the basic food staples. A quilt hangs from the ceiling to be raffled to benefit the local fire department. To keep up with modern times, the general store also sells lottery tickets and rents videotapes.

Harold Taylor, chairman of T&T Communications, said he feels good about meeting the needs of callers in

small Texas towns. "Almost all of our payphones are in small towns because I am a country boy myself and I just like traveling through the country," he said. Taylor travels to Spradling's Store twice a month to visit with Les and to check on the payphone and perform routine maintenance.

While traveling around Central Texas, the Taylors ventured down FM 1854 and ran across Spradling's Store. "I talked to Les about installing one of our payphones, and he was glad I did. Everyone seems to appreciate the fact that we are putting a payphone in their small town," Harold Taylor said.

To Be Where No LEC Has Gone Before

On July 30, 1991, *The New York Times* published an article entitled "More Payphones for Poor Urged" by James Barron. (See below). The article cited a study which found that in some neighborhoods, 20 percent of the households do not

Continued on next page

It was the shortest
world -- David Justice's
inning
homer with two out and bases loaded

the win for the Atlanta
Braves and made official the end of
the 1994 baseball season with a new

World Champion -- The
Braves. Not since the 1973 has a team
dominated from the beginning of the

NYC To Require Payphones In Poor Neighborhoods

New York City officials issued a proposal recently that would force New York Telephone and other companies which own pay telephones to install phones in poor neighborhoods. "We want to see that if they have a phone at 57th and Fifth, they have one at 157th and Fifth," said Joan Lebow, a spokeswoman for the city's Department of Telecommunications and Energy. The requirement is included in proposed new regulations for thousands of coin-operated telephones over which the department is claiming jurisdiction--those on the street or in city-owned buildings. The agency said the new rules would cover roughly 12,300 of New York

Telephone's payphones. The number of pay telephones the company has throughout the city is a matter of dispute: New York Telephone says it has about 56,000, but the department says there are only 42,000. The company claims to have 24,500 payphones in Manhattan, 12,000 in Queens, 13,000 in Brooklyn and Staten Island, and 7,000 in the Bronx. An additional 15,000 payphones are owned and operated by other telephones companies in the five boroughs, the department said. The agency's proposal now goes to the City Council, which can authorize the agency to issue franchises for the phones in question. The telecommunications agency drew up

its proposal after commissioning a study that found that in some neighborhoods, 20 percent of the households do not have phones, "making the pay telephone a lifeline to emergency services," the proposal said. The agency also wants to require payphone companies to meet certain standards, including limits on how many telephones can be out of service at anytime. A spokesman for New York Telephone, Robert A. Varettoni, took issue with the idea that the company was not doing enough to serve poor neighborhoods. "It's not a problem," he said. "We have coverage in all neighborhoods in the city."

have phones, "making the payphone a lifeline to emergency services." For many members of the Empire State Payphone Association (ESPA), the provision of basic communications services to low income neighborhoods is their primary business. A majority of the members of ESPA can boast that as many as 90 percent of their telephones are located in neighborhoods where they are the sole conduit, connecting those who cannot afford a private telephone with necessary emergency services such as fire, police and EMS.

These IPP providers offer a service of enormous value to the inner city community. Phones are located in apartment complexes, convenience stores, major intersections, and points of congregation like parks, school yards and business districts. For many, these IPPs are the only vehicle through which citizens can stay in contact with relatives and friends both near and far.

IPP's did not arrive in these formerly under-served areas by chance. After the unbundling and deregulation of telephone services, IPPs recognized the need to fill existing voids and, most decidedly, heard the outcry from citizens in the poorer neighborhoods. The maintenance of payphones in underprivileged neighborhoods is not without tremendous risk. There is a much higher chance of vandalism or theft, greater risk of having a payphone condemned as a conduit of drug trafficking and a difficult time finding a location owner who will serve as "business partner". In spite of this, IPP providers in New York City have provided tremendous benefits, indirectly saving countless lives and making day-to-day communications more pleasant and convenient for millions.



Peoples Telephone Company responded in the aftermath of Hurricane Andrew.

IPP Provider Key Element in Disaster Relief

When natural disaster strikes, communication lines are broken leaving people distressed and alone with distant relatives panicked. The simplest message of "I'm O.K." or contact with a familiar voice can relieve mountains of anxiety. Unfortunately, in the compelling face of disaster, individual human needs are often overlooked in the attempt to restore order for the masses.

On August 24, 1992, Hurricane Andrew ripped through South Florida tearing down phone lines and stranding hundreds of thousands of residents. After the storm, many victims made their way through the rain soaked streets to hastily constructed shelters and "tent cities". The shelter residents were often penniless, having lost their belongings to the storm.

Peoples Telephone Company, Inc. of Miami, Florida responded to the disaster with a swiftly executed relief plan. Dedicated Peoples employees, in some cases themselves without homes, worked around the clock under emergency power at the storm damaged Peoples Telephone headquarters. They produced mobile phone banks which they personally transported to the most damaged areas so

residents could make critical calls, helping them to begin to rebuild their lives.

Peoples worked closely with government and carrier disaster response teams to quickly and effectively deploy the emergency telephone banks. Responding to the extraordinary need at hand Peoples in conjunction with its underlying carriers provided free telephone service during the initial week after the storm.

IPP providers play an important role in the lives of millions of citizens. From the provision of telephone service in underprivileged and underserved areas to a vital role in disaster relief, IPP providers fulfill the public communications needs of their customers. This responsibility is taken quite seriously by industry members in each of the stories printed above. All have gone far and beyond the roles mandated for them by law. In doing so, each has positively influenced the lives of their customers and provided a positive image for the IPP industry.

Editor: Thank you to Larry Diamond for relaying the ESPA story, Caroline Hinckley Boyle and the Texas Payphone Association for permission to reprint their story and to Bruce Renard of Peoples Telephone Company, Inc. U

PTC

Peoples Telephone Company, Inc.

August 29, 1996

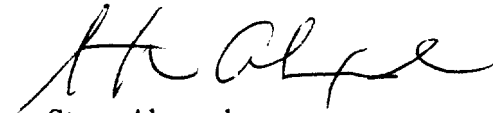
Mr. Greg Haledjian
APCC
10306 Eaton Place, Suite 520
Fairfax, VA 22030

Dear Greg:

This responds to the APCC's request for the number of public pay telephones operated by individual IPPs in various inner-city areas. On the attached pages are cities in states where Peoples operates phones in these areas. Peoples estimates that approximately 30% of its 40,000 phones operated nationally are located in low income urban or inner-city regions. Also, although Peoples knows we have placed payphones at LEC abandoned locations, we have not kept records of this activity. This list is by no means all inclusive but clearly illustrates Peoples commitment to the provision of public telecommunication services in all environments.

If there is any further information we can offer, please do not hesitate to contact us.

Respectfully,



Steve Alexander
Director of Regulatory Affairs

(Attachments=3 pages)

Peoples Telephone Company, Inc.

State/City	Estimated Phones
Alabama	50
Montgomery	
California	500
South Central	
South Gate	
Watts	
Boyle Heights	
Ecoima	
E. San Fernando Vly.	
East Los Angeles	
N. Long Beach	
Santa Ana	
South Pasadena	
District of Columbia	75
Florida	1000
Tampa	
Jacksonville	
Orlando	
Sanford	
Lakeland	
Clewiston	
Naples	
Perry	
Panama City	
Miami	
Fort Lauderdale	
West Palm Beach	
Hialeah	
Georgia	125
Atlanta	
College Park	
Rockdale	
Midtown	
Adella	

Peoples Telephone Company, Inc.

State/City	Estimated Phones
Illinois South Chicago	20
Indiana Fort Wayne Gary Indianapolis	160
Louisiana Baton Rouge New Orleans Slidell Shreveport Lake Charles Monroe	300
Maryland Baltimore City	75
Mississippi Biloxi Jackson	40
Nevada Las Vegas	100
New Jersey Newark Irvington Perth Aboy	600
New York Bronx Brooklyn Queens West Chester Mount Vernon Yonkers	2500

Peoples Telephone Company, Inc.

State/City	Estimated Phones
North Carolina Charlotte Hickory Winston Salem	125
Ohio Cleveland Cincinnati	150
Pennsylvania Philadelphia Reading Pittsburgh	80
South Carolina Columbia	25
Tennessee Memphis Knoxville Nashville	650
Texas Beaumont Houston Dallas San Antonio	600
Virginia Norfolk Portsmouth Richmond New Port News Charlottesville	50



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RESPONSE
OF
ACTEL, INC.
TO FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554
CC Docket No. 96-128

In the matter of:

Implementation of the Pay Telephone Reclassification and Compensation
Provisions of the Telecommunications Act of 1996

ACTEL, Inc. ("ACTEL") is a New Jersey corporation in the business of providing public pay telephone services throughout the State. All public pay phones that ACTEL owns and operates are installed and maintained in New Jersey by employees in New Jersey. ACTEL installed its first public pay telephone on November 21, 1987. As of this writing, ACTEL operates approximately 260 public pay telephones. Of these, approximately 65% of these phones are installed in public locations in "inner-city" areas including Newark, Jersey City, Paterson, the Oranges, Elizabeth, and New Brunswick (see Exhibits A and B). From the very beginning, ACTEL sought to provide service to the inner-city due to an estimated 20% of inner-city residents who do not have residential service. In addition, ACTEL noted that these areas are "under-served" by the dominant carrier, Bell Atlantic of New Jersey ("BA-NJ").

**THIS ATTACHMENT
INTENTIONALLY LEFT BLANK**

IPANY // Independent Payphone Association of New York // 417 Harwood Building // Scarsdale, NY 10583-4199

connections

IPANY is pleased to present the inaugural issue of its very own newsletter.



Let's Connect. . .

We'd like to introduce ourselves to you. CONNECTIONS is the newsletter of the Independent Payphone Association of New York, representing the owners and operators of almost 20,000 independent payphones throughout New York State.

IPANY's goals are simple. They are:

- To help every independent payphone provider become and remain a strong, healthy, and financially sound competitor in the arena of public communications.

- To educate it's members, and to encourage fair-

ness, competition and regulatory compliance.

- To remove barriers to competition.

- To fight for a level playing field whenever it is tilted, by the LEC or by unfair and anti competitive regulation.

- To nurture new technologies aimed at more efficient, more economical and more user friendly service.

- To pursue and achieve excellence in the provision of this vital and universally needed access...to all the people in every city and on every street of the state. ■

IPANY // Independent Payphone Association of New York
417 Harwood Building
Scarsdale, NY 10583-4199

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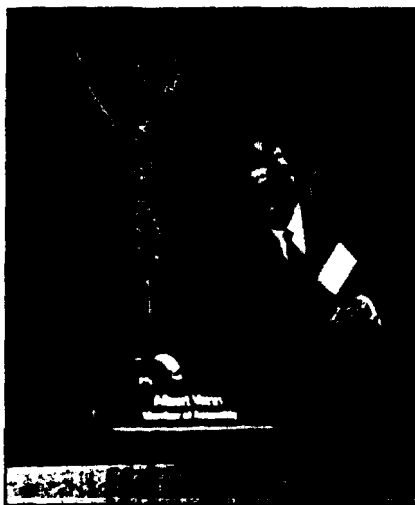
"Strategies for the Future" Conference Addresses Access and Success

State Assemblyman Albert Vann, who serves as the Chairman of the Corporations, Authorities and Commissions Committee in the Assembly, served as host of the second annual "Strategies for the Future" telecommunications conference in February.

The day-long conference, which was held in Albany at the Hearing Room of the Legislative Office Building, served as the kickoff for the NYS Association of Black and Puerto Rican Legislators.

The conference addressed many key telecommunications issues, including the establishment of a legislative agenda, economic development, public sector activities and new technologies and opportunities. Special attention was given to the ways to increase access to the "information superhighway," particularly for communities of color.

Jack Greene, one of the Directors of IPANY and a panelist at the conference, sees a solid role for the payphone industry on the information superhighway. He maintains that "though payphones are less charismatic than some of their fellow travellers on the information



Assemblyman Al Vann (seated) was the keynote speaker at this year's conference

superhighway, they are essential to the people of our cities, particularly to our communities of color, both as critical service access and as investment opportunities."

Greene pointed out the major impact that the payphone industry has in cities, particularly in the communities addressed by this conference. According to Greene, many of these communities, which are disadvantaged, are faced with a telephone crisis: fewer than one home in four have telephone service. For many, the only access to telephones is through those provided by the independent payphone industry.

As Greene put it, "Marketing catch phrases like 'we're all connected' and 'reach out

and touch someone' ring cynical when there is no phone with which to connect, no network access to reach out through."

Greene pointed out, with pride, that the private payphone industry has already addressed this need. Statistics indicate that the private payphone industry, while still relatively young, already accounts for 20% of all calls completed within our inner cities.

The social and economic value of independent payphones in these communities is reinforced by the fact that 22% of all privately held payphone corporations are wholly minority owned. This contrasts sharply with the other sectors of the telecommunications industry such as the broadcast industry, which has virtually shut out minority ownership and involvement.

The independent payphone industry still faces major legislative, regulatory and competitive challenges to its ability to continue providing this crucial access. Still, the aspirations and commitment of independent payphone providers bodes well for the development and growth of a thriving industry deep within our city. ■

New Jersey Board of Public Utilities

Testimony
March 13, 1996

Dear Sir:

My name is Seymour H. Miller, President of SYS Telephone Corporation operating out of my home office in Oradel, NJ. I have been in the private payphone business continually since October 1988.

A little about me, my background and my business. I was born in Newark, NJ 68 years ago in 1928. I grew up in the west side of Newark and graduated from West Side High in 1945 at the age of 17. I started college in July 1945 at the University of Pennsylvania. When I turned the age of 18, I enlisted in the U.S. Army and am a veteran of World War II. I served in the Pacific and spent a year with the occupied troops in Southern Japan. After

my tour of duty, I returned to the university and graduated in 1950.

I attended Rutgers Graduate School of Business at night from 1951 to 1954 while working for a Newark mortgage company during the day. From 1954 through 1960, I was with the public accounting firm of Haskins & Sells and became a CPA in the State of New Jersey in 1959. From 1960 through 1990, I was an officer and director of three public companies whose stock was traded on the American Stock Exchange and three private companies. During that same period, I was an adjunct professor of accounting at Rutgers University--Newark and Montclair State College.

In 1988, after almost 40 years of working for others, I took the opportunity to go into my own business--payphones. I was 60 years old, had a fairly successful business career and felt this would be a good retirement business since it was capital intensive and not labor intensive (so I thought.)

I started with 20 payphones at ten Burger King locations

which I purchased installed for \$73,000. These locations were in various parts of New Jersey: Hillside in Union County; Montclair, Livingston, Cedar Grove and West Orange in Essex County; Denville and Hackettstown in Morris County; Midland Park in Bergen County and Washington in Warren County. I had to buy a van to service them.

I took a course in servicing and repairing phones at the manufacturers plant in Atlanta, GA, bought a computer to poll the phones and proceeded to collect the coins and pay the bills.

I found that with the Burger King phones, I was at the Denville location every Saturday or Sunday to clean the phones after the kids had smeared them with ketchup, mustard, coke or milk shake on Friday or Saturday night. This was a constant for five years.

It soon became obvious to me that my fixed expenses had to be spread over more than 20 phones. I bought additional phones

over the years and now have 43 phones. A number of these phones are in areas where people have no phones in their homes: Englewood, North Bergen, Guttenburg and Union City.

I have a phone outside a small grocery in a residential section of Englewood in a minority neighborhood. The storeowner calls it the “neighborhood phone.” There are no other phones--neither Bell nor others within five blocks. People move in and out of the neighborhood and do not have \$150 for the Bell deposit needed for a home phone. If my phone is coin-jammed, I get a call from the storeowner who expects and gets service within two hours. When I get there, people are lined up and want to know how long it will take to fix the phone. This is their link to the outside world.

I have always operated on the premise that if the phone is kept working and clean, it will be used. To that end, I poll my phones by computer every night, seven days a week, to make sure they are working or I will be there the next day, whether it is during the week or on the weekend. I check my phones physically

every two weeks when I collect the coin to maintain and clean the phones. It has been my experience that people use the same phone on a regular basis. If they go to that phone three times and it is not working, they look for another phone to use and don't return to your phone.

I have made a modest profit over the years. I have reinvested all monies into the business since the beginning so that my capital investment is in excess of \$150,000. I would like to make a reasonable return on my investment. I have never taken a salary from the business. My wife has been a school teacher for 25 years and we have used her salary plus interest and dividends we receive from investments on capital I accumulated during my 40-year business career to live on.

I agree with the Board that rates to the public should be lowered, but until our costs are lowered by New Jersey Bell, we cannot lower our costs to customers. We have been charged full retail prices since the beginning while Bell charges themselves

wholesale prices and we both must charge the customer the same price.

For the past two years, my revenues have decreased due to the excessive line charges by NJ Bell and the increase in dial around calls (800, call ATT, phone debit cards, etc.) for which I receive no compensation even though my equipment is used to generate revenues for others. In addition, I have experienced a 40 percent decrease in my OSP traffic down from 1050 calls per month to 540.

Unless some relief is forthcoming in these areas, I could be forced out of business because my costs will exceed my revenues. The result would be fewer phones where almost none exist, loss of tax revenue to the state and the effect on my family and me. The Board should evaluate all of the facts and treat the cause instead of the symptoms.

All of my life, I've been a concerned citizen, raised and